(b) whether there was no fresh demand coming from the corporate sector for credit disbursal, forcing the banks to park their extra funds in the less lucrative Government securities; and

(c) the reasons for poor off-take of the banking finance by the corporate sector and the efforts being made to revive their interest for improved credit off-take?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Reserve Bank of India (RBI) have reported that aggregate deposits of scheduled commercial banks increased by Rs. 8,076 crore (1.6 per cent) between March 28, 1997 and May 23, 1997 while non-food credit declined by Rs. 2,700 crore (—1.0 per cent) during the same period.

(b) The demand for credit from the corporate sector has been less than expected an consequently commercial banks have deployed additional funds by way of investments in securities.

(c) The principal reasons for a less than anticipated credit off-take by the corporate sector are slowing down of industrial growth, existence of sources of funds which are cheaper than bank credit, and the inability or unwillingness to raise equity leading to an inability to meet the requisite debt equity ratios.

In April, 1997 RBI have taken several measures as part of the monetary and credit policy to ensure availability of adequate bank credit to support the growth of the real sector and to ensure that banks brought down interest rates by reducing spreads. Accordingly; Bank Rate was reduced from 12.0 per cent per annum to 11.0 per cent per annum and further to 10.0 per cent per annum w.e.f. close of business on June 25, 1997. Measure were also taken by RBI to improve the credit delivery system and flow of resources to industry which include inter alia withdrawal of stipulation of obligatory consortium system of credit to borrowers with credit limit of over Rs. 50 crores and freedom to banks to assess the working capital requirements of borrowers.

Notification Issued by CBDT Extending it Assessment

2210. DR. MOHAN BABU:
SHRI SOLIPETA RAMACHANDRA REDDY:

Will the Minister of FINANCE be pleased to state:

(a) the details of notification issued by CBDT for extending Income Tax assessment to owners of house, telephone etc. under Section 139 (1) of the Income Tax Act,

(b) the rationale for fixing floor area of 600 sq. ft. only for Delhi, Mumbai etc.;

(c) whether Government propose to increase the floor area to 800 sq. ft. or exclude Kitchen, Bathroom, Toilet and Balcony etc., for calculation of occupied area of 600 sq. ft. on the analogy of property tax calculation criteria;

(d) whether any new form has been issued for filling tax returns under section 139(1); and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) The following three notifications have been issued by C.B.D.T. for extending income tax assessment to owners of house, telephone etc. under the proviso to section 139 (1) of the Income Tax Act;

(i) Notification No. 10379 specifying the urban agglomerations covered by the said proviso;

(ii) Notification No. 10378 specifying the floor area of property for residential and commercial purposes in the notified urban agglomerations; and

(iii) Notification No. 10377 specifying the Form to be filled in by persons covered by the said proviso.

(b) The floor area of 600 sq. ft. has been notified for Delhi, Mumbai, etc. in respect of residential property, in view of relatively high market value of property in these places signifying greater affluence of the occupants.

(c) There is no such proposal.

(d) Yes, Sir.

(e) A new simplified Return Form (Form No. 2C) has been devised and issued for those who are required to file return of income under the said proviso. This Return Form is to used by any person who has not filed his return of income hitherto and who fulfills any two of the following conditions, namely :—

(i) was in occupation of immovable property exceeding the specified floor area;

(ii) was the owner or the lessee of a motor vehicle;

(iii) was a subscriber to a telephone. or

(iv) incurred any expenditure on travel to a foreign country for himself or for any other person.

Loans Released by Nationalised Banks and NABARD to Agricultural Sector in Punjab

2211. SHRI MOHINDER SINGH KALYAN: Will the Minister of FINANCE be plased to state:

(a) the total loan amount released by the nationalised banks and National Bank for Agriculture and Rural Development during the year 1994-95 and 1995-96 till date for agriculture sector in the State of Punjab; and

(b) the number of loan applications received from the farmers during the above period in the State?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAT PAL MAHARAJ): (a) As reported by Reserve Bank of India (RBI), the details of advances by nationalised and scheduled commercial banks to agriculture sector in Punjab for the year 1994-95 (latest available) are given below :

(Rs. in crores)

	Direct advances (disbursement to agriculture - end June 1995)		Total advances (outstanding to Agriculture - end March 1995)	
	No. of A/cs.	Amount disbursed	No. of A/cs.	Amount outstanding
Nationalised Banks	82857	239.32	355890	896.97
All scheduled commercial banks . . .	114244	362.57	604860	1546.17

National Bank for Agriculture & Rural Development, (NABARD) provides refinance to commercial banks, regional rural banks and co-operative banks for onlending to farmers for various agricultural and rural development activities. NABARD does not provide any assistance to farmers directly. The details of refinance disbursed by NABARD to agriculture sector in Punjab are given below: